

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2013-36-C - ORDER NO. 2013-310
MAY 22, 2013

IN RE: Application of ANPI Business, LLC (f/k/a)	ORDER APPROVING
Zone Telecom, LLC) for a Certificate of)	LOCAL EXCHANGE
Public Convenience and Necessity for)	AUTHORITY AND
Authority to Provide Basic Resold Local)	FLEXIBLE REGULATION
Telecommunications Services in the State of)	
South Carolina and for Local Service)	
Offerings to Be Regulated in Accordance)	
with Procedures Authorized for NewSouth)	
Communications in Order No. 98-165 in)	
Docket No. 97-467-C)	

This matter comes before the Public Service Commission of South Carolina ("Commission") by way of the Application of ANPI Business, LLC ("ANPI", "the Company," or "the Applicant") for authority to provide local exchange telecommunications services within the State of South Carolina (the "Certification Application").

Further, the Company requests that the Commission regulate its local retail telecommunications services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C.

The Company's Application was filed pursuant to S.C. Code Ann. Section 58-9-280 and the Rules and Regulations of the Commission. By letter, the Commission instructed the Applicant to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time

in which to file the appropriate pleadings for participation in this proceeding. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

A Petition to Intervene was filed by the South Carolina Telephone Coalition ("SCTC"). Subsequently, counsel for SCTC filed with the Commission a Stipulation. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to the Company provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

Subsequently, ANPI filed a Motion for Expedited Review of the Application, noting among other things that it already provides interexchange services in South Carolina pursuant to a Certificate granted in Order No. 2001-405, dated May 7, 2001. The Motion stated that all issues among the parties for the present case have been resolved. Further, the Applicant submitted the verified testimony of Joseph O'Hara, Chief Financial Officer of the Company, in support of its Application. The Office of Regulatory Staff ("ORS") did not object to the Motion. We grant the Motion for Expedited Review and make our ruling from the record of the case.

According to the record, ANPI is a Delaware limited liability company that has received authorization to transact business in South Carolina. Mr. O'Hara testified that the Applicant is certificated to provide local exchange and interexchange services in Alabama, Arkansas, Arizona, California, Colorado, Connecticut, District of Columbia, Delaware, Florida, Hawaii, Iowa, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Maryland, Maine, Michigan, Minnesota, Missouri, Mississippi, Montana,

North Carolina, North Dakota, Nebraska, New Hampshire, New Jersey, New Mexico, Nevada, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Utah, Virginia, Vermont, Washington, Wisconsin, West Virginia, and Wyoming. The Company is also authorized to provide interexchange services in South Carolina. Mr. O'Hara states that the Applicant has not been denied authority for any of the services for which it seeks authority in this Application.

According to Mr. O'Hara, ANPI seeks to offer business subscribers with iPBX telephone systems using VoIP technology using multiple interfaces that include Cable Modem, DSL, Ethernet, Multipoint Private Line Service, (MPLS) and others. Private Internet connections will also be made available. In some cases, ANPI will resell the local access circuit for a complete bundling of offerings. Applicant's traditional voice services such as local dial tone, access to 911, e-911, directory assistance, and operator services will be available only by way of VoIP delivery. ANPI does not propose to offer any residential services. The handoff at the customer's premises can be Session Initiation Protocol (SIP), digital, or analog enabling the customer to retain their existing investments and a cost effective migration from Time division Multiplexing (TDM) to SIP or a hosted PBX solution.

Both AT&T and Verizon are intended to serve as the underlying carrier for ANPI. ANPI will choose its underlying carrier based upon the quality of service of the carrier properly certified by the Commission to provide such service. The Applicant will offer the services outlined in Mr. O'Hara's testimony on a twenty-four (24) hour a day, seven (7) day a week basis. Mr. O'Hara also testified that the Company had the financial

resources to ensure the viability of the Company. Both a resume of the key personnel and senior management and financial reports of the Company were submitted in the record.

Mr. O'Hara finally testified that granting ANPI's Application will further increase telecommunications competition in the State of South Carolina. He opined that the Commission's granting of the Application is therefore in the public interest.

Mr. O'Hara asserted that the Company will operate in compliance with all applicable statutes, regulations, and Commission orders. Mr. O'Hara stated that the Company will abide by all applicable Commission rules, regulations, and orders upon the Company receiving certification to provide intrastate local exchange telecommunications services in South Carolina.

The Company's Application contained the Company's request for certain waivers of Commission regulations. ANPI requests that it be exempt from any rules or regulations that would require it to keep financial records in conformance with the Uniform System of Accounts ("USOA"), since it will maintain its books in accordance with Generally Accepted Accounting Principles ("GAAP"). The Application also requested that the Company be granted a waiver of 10 S.C. Code Ann. Regs. 103-610 so that the Company is permitted to maintain its records outside of South Carolina. The Company wishes to maintain its books and records in its principal place of business. Further, ANPI requests a waiver of 10 S.C. Code Ann. Regs. 103-612.2.3, which is the requirement to file operating maps with the Commission, and 10 S.C. Code Ann. Regs. 103-631 requiring publication of directories.

After full consideration of the applicable law, the Company's Application, and the evidence of record herein, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. The Company is a limited liability company which exists under the laws of the State of Delaware and has been authorized to do business in the State of South Carolina by the Secretary of State.

2. The Company is a provider of local exchange telecommunications services (among other services) and wishes to provide its local services in South Carolina.

3. The Commission finds that the Company has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280(B)(1).

4. The Commission finds that the Company's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280(B)(3).

5. The Commission finds that the Company will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280(B)(4).

6. The Commission finds that the services to be provided by the Company will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280(B)(2).

7. The Commission finds that the provision of local exchange service by the Company “does not otherwise adversely impact the public interest”. S.C. Code Ann. Section 58-9-280(B)(5).

8. Following execution of the Stipulation with the SCTC, the SCTC withdrew its opposition to the Application.

CONCLUSIONS OF LAW

1. The Commission concludes that the Company possesses the managerial, technical, and financial resources to provide the competitive local exchange telecommunications services as described in the Application.

2. The Commission concludes that the Company's "provision of service will not adversely impact the availability of affordable local exchange service.”

3. The Commission concludes that the Company will participate in the support of universally available telephone service at affordable rates to the extent that the Company may be required to do so by the Commission.

4. The Commission concludes that the Company will provide services that will meet the service standards of the Commission.

5. The Commission concludes that the provision of local exchange services by the Company will not otherwise adversely impact the public interest.

6. Based on the above findings of fact and conclusions of law, the Commission determines that a statewide Certificate of Public Convenience and Necessity should be granted to the Company to provide competitive local exchange services, on a facilities and/or on a resold basis. The terms of the Stipulation between the Company and

SCTC are approved and adopted as a part of this Order. Any proposal to provide local telecommunications service to rural service areas is therefore subject to the terms of the Stipulation.

7. The Commission concludes the Company's local exchange telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for the Company's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, the Company's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

8. We conclude that the Applicant's request for waiver of 10 S.C. Code Ann. Regs. 103-610 should be granted, since strict compliance with the regulation potentially causes undue hardship on the Company. We also grant exemption from the policies requiring the use of USOA, since the Company will maintain its books in accordance with GAAP. Last, we grant waivers of 10 S.C. Code Ann. Regs. 103-612.2.3, which requires filing a map of the service territory, and 10 S.C. Code Ann. Regs. 106-631, which requires publication of directories.

9. If ANPI Business modifies its business plan to include the offering of retail residential local exchange service, the Company shall comply with 10 S.C. Code Ann. Regs. 103-607 (2012) and Commission's Orders pertaining to bond requirements.

10. ANPI Business shall comply with the verification regulations governing change of preferred carriers as established by the FCC.

11. ANPI Business shall comply with S.C. Code Ann. § 58-9-300 (Supp. 2012) entitled "Abandonment of Service." Additionally, to the extent applicable, it agrees to adhere to the FCC's Rule 47 C.F.R. § 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, the Company shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity is granted to ANPI to provide competitive local exchange telecommunications services, on a facilities or resold basis.

2. The terms of the Stipulation between the Company and the SCTC are approved and adopted as part of this Order. The Stipulation is attached as Order Exhibit

1. Any proposal to provide competitive local exchange telecommunications services to rural service areas is subject to the terms of the Stipulation.

3. The Company shall file, if it has not already done so by the date of issuance of this Order, its revised local tariffs. The revised tariffs should be electronically

filed in a text searchable PDF format using the Commission's DMS System (<http://dms.psc.sc.gov>). An additional copy should be sent via email to etariff@psc.sc.gov to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the tariffs should be made using the ETariff System. The revised tariffs shall be consistent with the findings of this Order and agreements with other parties to this case. The revised tariffs shall be consistent with the Commission's Rules and Regulations, and shall be filed as stated within 30 days of receipt of this Order.

4. ANPI is required to comply with Title 23, Chapter 47, South Carolina Code of Laws Annotated which governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a 911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs the Company to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate authorities is to be made before providing voice or dial tone telephone service in South Carolina. Accompanying this Order as Order Exhibit 2 is a memo from the State 911 Office at the Office of Research & Statistics of the South Carolina Budget and Control Board. This memo provides information about contacting County 911 Coordinators. By this Order and prior to providing voice or dial-tone services within South Carolina, the Applicant is directed to contact the 911 Coordinator in each county,

as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

5. The Applicant shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of South Carolina specific information. Therefore, the Company shall keep financial records on its South Carolina operations to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the Commission's website or at the ORS's website at www.regulatorystaff.sc.gov. The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Applicant to file annual financial information as directed by the Commission or ORS and shall be filed no later than April 1st.

Commission gross receipts forms are due to be filed no later than August 31st of each year. The proper form for filing gross receipts information can be found at the ORS website www.regulatorystaff.sc.gov and the appropriate form is entitled "Gross Receipts Form."

Each telecommunications company certified in South Carolina is required to file annually with the ORS the South Carolina Universal Service Fund ("USF") Contribution Worksheet, which may be found on the ORS's website at www.regulatorystaff.sc.gov. This worksheet provides ORS information required to determine each

telecommunications company's liability to the State USF fund. The State USF worksheet is due to be filed annually no later than July 1st with the ORS.

6. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission and ORS in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. The Company shall file the names, addresses, and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The "Authorized Utility Representative Information" form can be found at the ORS website at www.regulatorystaff.sc.gov. This form shall be utilized for the provision of this information to the Commission and ORS. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are replaced. If the Company changes or modifies its name, the Company shall file such changes with the Commission for approval.

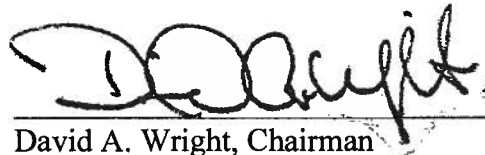
7. The Company shall conduct its business in compliance with Commission decisions and orders, both past and future.

8. The Company is granted a waiver of 10 S.C. Code Ann. Regs. 103-610, requiring the Company to maintain its financial books and records within the State of South Carolina. As a condition of being granted a waiver of the requirement to maintain corporate books and records within the State of South Carolina, the Company shall make

such books and records available, at the Company's expense, to the Office of Regulatory Staff upon request. Further, the Company is granted a waiver of the requirement that books and records be maintained in accordance with the Uniform Systems of Accounts ("USOA"). Last, the Commission grants the Applicant's request for waivers of the requirement that it file a map of its service territory as required by 10 S.C. Code Ann. Regs. 103-612.2.3 and the publication of directories as required by 10 S.C. Code Ann. Regs. 103-631. The Company is directed to comply with all Rules and Regulations of the Commission, unless the Commission specifically waives compliance with a regulation.

9. This Order shall remain in full force and effect until further Order of the Commission.

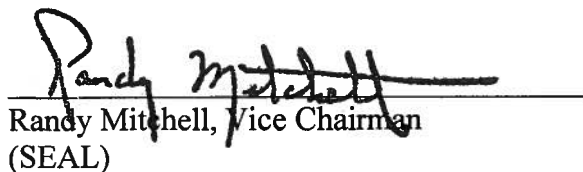
BY ORDER OF THE COMMISSION:



Handwritten signature of David A. Wright, Chairman, in black ink.

David A. Wright, Chairman

ATTEST:



Handwritten signature of Randy Mitchell, Vice Chairman, in black ink.

Randy Mitchell, Vice Chairman
(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

Docket No. 2013-36-C

Re: Application of ANPI Business, LLC fka Zone)
Telecom LLC for a Certificate of Public)
Convenience and Necessity to Provide Basic)
Resold Local Telecommunications Services in)
the State of South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and ANPI Business, LLC ("ANPI Business, LLC") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose ANPI Business, LLC's Application. SCTC and ANPI Business, LLC stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to ANPI Business, LLC, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. ANPI Business, LLC stipulates and agrees that any Certificate which may be granted will authorize ANPI Business, LLC to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. ANPI Business, LLC stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. ANPI Business, LLC stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until ANPI Business, LLC provides such rural incumbent LEC and the Commission with

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written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, ANPI Business, LLC acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. ANPI Business, LLC stipulates and agrees that, if ANPI Business, LLC gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then ANPI Business, LLC will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. ANPI Business, LLC acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

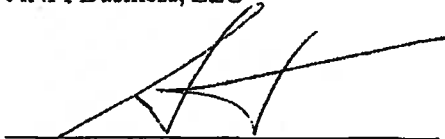
7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and ANPI Business, LLC, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. ANPI Business, LLC agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. ANPI Business, LLC hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 18th day of March, 2013.

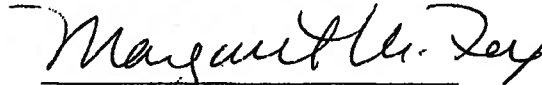
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Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies
for Purposes of Local Service Stipulation

Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF RESEARCH & STATISTICS

MARK SANFORD, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
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HUGH K. LEATHERMAN, SR.
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT W. HARRELL, JR.
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COLUMBIA, SOUTH CAROLINA 29201

Bobby Bowers
DIRECTOR

August 2, 2004

To: Telephone Companies New to South Carolina

In an effort to continue providing quality emergency services to the citizens of South Carolina, the State 911 Office requests that before beginning telephone services in a county, you contact the 911 Coordinator in that county. This will allow both parties to obtain important information about providing 911 services in that county. If you have already begun services, then contact the coordinator as soon as possible.

A list of County 911 Coordinators can be found on the South Carolina E911 homepage at www.ors.state.sc.us/digital/E-911.ASP. If you have any questions related to 911 in South Carolina, you may contact E911 Coordinations at the Office of Research and Statistics at 803-734-3883. The person responsible for this can also be found on the 911 homepage. Please be aware that some cities may have their own E911 systems, these are also listed on the 911 homepage. These city coordinators will need to be contacted in addition to the county coordinators.